

AMENDED IN ASSEMBLY JANUARY 4, 2012

AMENDED IN ASSEMBLY APRIL 4, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

## ASSEMBLY BILL

**No. 502**

---

---

**Introduced by Assembly Member Bonilla**

February 15, 2011

---

---

~~An act to add Title 7.84 (commencing with Section 67645) to the Government Code, relating to the Concord Naval Weapons Reuse Authority. An act to amend Sections 34194 and 34195 of the Health and Safety Code, relating to redevelopment.~~

### LEGISLATIVE COUNSEL'S DIGEST

AB 502, as amended, Bonilla. ~~Land use: general plan: housing element.~~ *Alternative Voluntary Redevelopment Program: military bases.*

*Existing law suspends various activities of redevelopment agencies and prohibits the agencies from incurring indebtedness for a specified period. Existing law dissolves redevelopment agencies and community development agencies, as of October 1, 2011, and designates successor agencies, as defined. Existing law exempts from dissolution a redevelopment agency of a community where the city or county that created the agency participates in an alternative voluntary redevelopment program, where, among other things, the city or county makes remittances for deposit in the Special District Allocation Fund, as prescribed. Existing law imposes specified sanctions if a city or county fails to make the remittance and the Director of Finance makes a specified determination.*

*This bill would exempt a participating community from being required to remit any amounts that are calculated based on tax increment*

*revenues received for a project area that includes within its boundaries a military base that has been closed or realigned by the federal government. In the event a community fails to make the required remittance, the bill would permit the community to continue to function, to a limited extent, if the community contains a project area that includes within its boundaries a military base closed or realigned by the federal government and one or more project areas that do not include a closed or realigned base.*

~~The Fort Ord Reuse Authority Act authorizes the County of Monterey, and specified cities within that county to establish the Fort Ord Reuse Authority to, among other things, plan for, finance, and manage the transition of the property known as Fort Ord from military to civilian use.~~

~~This bill would authorize Contra Costa County and the City of Concord to establish the Concord Naval Weapons Station Reuse Authority to plan for, finance, and manage the transition of the property formerly known as the Concord Naval Weapons Station from military to civilian use.~~

~~This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Contra Costa.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 34194 of the Health and Safety Code is
- 2     amended to read:
- 3     34194. (a) A city or county that includes a redevelopment
- 4     agency that has complied with this part shall make the remittances
- 5     required by this section to the county auditor-controller. The county
- 6     auditor-controller shall deposit an amount as determined by Section
- 7     34194.4 into the Special District Allocation Fund, and remaining
- 8     funds shall be remitted to the county Educational Revenue
- 9     Augmentation Fund, created pursuant to Article 3 (commencing
- 10    with Section 97) of Chapter 6 of Part 0.5 of Division 1 of the
- 11    Revenue and Taxation Code.
- 12    (b) (1) For the 2011–12 fiscal year, a city or county shall remit
- 13    an amount equal to the amount determined for the redevelopment
- 14    agencies in that city or county pursuant to subparagraph (I) of
- 15    paragraph (2).

1 (2) Utilizing the Controller's redevelopment agency 2008–09  
2 annual report, the Director of Finance shall do all of the following  
3 for the 2011–12 fiscal year:

4 (A) Determine the net tax increment apportioned to each  
5 redevelopment agency pursuant to Section 33670, calculated as a  
6 redevelopment agency's tax increment revenue, excluding any  
7 amounts apportioned to affected taxing agencies pursuant to  
8 Section 33401, 33492.140, 33607, 33607.5, 33607.7, or 33676,  
9 and excluding all amounts used to pay for tax allocation bonds  
10 and interest payments specified in the Controller's report, in the  
11 2008–09 fiscal year.

12 (B) Determine the net tax increment apportioned to all  
13 redevelopment agencies pursuant to Section 33670, calculated as  
14 all redevelopment agencies' tax increment revenue, excluding any  
15 amounts apportioned to affected taxing agencies pursuant to  
16 Section 33401, 33492.140, 33607, 33607.5, 33607.7, or 33676,  
17 and excluding all amounts used to pay for tax allocation bonds  
18 and interest payments specified in the Controller's report, in the  
19 2008–09 fiscal year.

20 (C) Determine each redevelopment agency's proportionate share  
21 of statewide net tax increment by dividing the amount determined  
22 pursuant to subparagraph (A) by the amount determined pursuant  
23 to subparagraph (B).

24 (D) Determine a proportionate amount of net tax increment for  
25 each redevelopment agency by multiplying one billion seven  
26 hundred million dollars (\$1,700,000,000) by the proportionate  
27 share determined pursuant to subparagraph (C).

28 (E) Determine the total amount of property tax revenue  
29 apportioned to each redevelopment agency pursuant to Section  
30 33670, calculated as a redevelopment agency's tax increment  
31 revenue, including any amounts apportioned to affected taxing  
32 agencies pursuant to Section 33401, 33492.140, 33607, 33607.5,  
33 33607.7, or 33676, and including all amounts used for payments  
34 of tax allocation bonds and interest payments specified in the  
35 Controller's report, in the 2008–09 fiscal year.

36 (F) Determine the total amount of property tax revenue  
37 apportioned to all redevelopment agencies pursuant to Section  
38 33670, calculated as all redevelopment agencies' tax increment  
39 revenue, including any amounts apportioned to affected taxing  
40 agencies pursuant to Section 33401, 33492.140, 33607, 33607.5,

1 33607.7, or 33676, and including all amounts used for payments  
2 of tax allocation bonds and interest payments specified in the  
3 Controller's report, in the 2008–09 fiscal year.

4 (G) Determine each redevelopment agency's proportionate share  
5 of property tax revenue by dividing the amount determined  
6 pursuant to subparagraph (E) by the amount determined pursuant  
7 to subparagraph (F).

8 (H) Determine a proportionate amount of property tax revenue  
9 for each redevelopment agency by multiplying one billion seven  
10 hundred million dollars (\$1,700,000,000) by the proportionate  
11 share determined pursuant to subparagraph (G).

12 (I) Average the amounts determined pursuant to subparagraphs  
13 (D) and (H).

14 (J) On or before August 1, 2011, notify each city or county of  
15 the amount determined pursuant to subparagraph (I) for a  
16 redevelopment agency of that city or county.

17 (K) Notify each county auditor-controller of the amounts  
18 determined pursuant to subparagraph (I) for each agency in his or  
19 her county.

20 (L) (i) After receiving the notification from the Director of  
21 Finance pursuant to subparagraph (J), a city or county may appeal  
22 the amount of remittance to the director on or before August 15,  
23 2011, on the basis that the information in the Controller's report  
24 was in error or that the percentage of tax increment necessary to  
25 pay for tax allocation bonds and interest payments has increased  
26 by 10 percent or more over the percentage calculated pursuant to  
27 the Controller's redevelopment agency 2008–09 annual report.  
28 Any appeal shall include documentation that clearly and  
29 convincingly establishes the basis of the appeal and the amount  
30 of the claimed discrepancy.

31 (ii) The director may reject the appeal or approve it, in whole  
32 or in part, at the director's sole discretion. The director shall notify  
33 the city or county and the county auditor-controller of the decision  
34 on the appeal by September 15, 2011. However, the director may  
35 extend the decision deadline, at the director's discretion and upon  
36 notification of the city or county and the county auditor-controller,  
37 until October 15, 2011, in which case the date by which the city  
38 or county must enact the ordinance required by this part shall be  
39 extended until December 1, 2011. If the director determines that  
40 the percentage of tax increment necessary to pay for tax allocation

bonds or interest payments has increased by 10 percent or more, as described by this subparagraph, then the director shall recalculate the remittance amount for the city or county identified in subparagraph (I) by reducing the amount in subparagraph (D) to reflect any percentage increase that is in excess of 10 percent.

(c) For the 2012–13 fiscal year and each fiscal year thereafter a participating community shall remit an amount equal to the sum of the amounts specified in paragraphs (1) and (2), *except as adjusted by paragraph (4)*:

(1) For a community subject to a remittance amount determined for the 2011–12 fiscal year pursuant to subdivision (b), a base payment equal to the base payment in the prior fiscal year, increased by the percentage growth or decreased by the percentage reduction, as appropriate, from the prior fiscal year in the total adjusted amount of property tax increment revenue allocated to the redevelopment agency of the community pursuant to Section 33670 with respect to project areas that were in existence, and for which the agency received allocations of tax increment revenue, during the 2011–12 fiscal year.

(A) For the 2012–13 fiscal year, the base payment in the prior fiscal year shall be the remittance amount determined pursuant to subdivision (b) for the 2011–12 fiscal year multiplied by the ratio of four hundred million dollars (\$400,000,000) to one billion seven hundred million dollars (\$1,700,000,000).

(B) The “adjusted amount of property tax increment revenue” described in this paragraph means an amount of property tax increment in any fiscal year for a project area that is calculated by subtracting the amount of any debt service or other payments for new debt issuances or obligations, as provided in paragraph (2), from the total amount of property tax increment revenue allocated in that year to the agency with respect to that project area.

(2) (A) An amount equivalent to 80 percent, or any lesser amount as may be authorized by law for qualifying projects, of the total net school share, as described in subparagraph (B), of debt service or other payments made in that fiscal year for new debt or obligations issued or incurred on or after November 1, 2011, as shown on the agency’s statement of indebtedness, excluding any debts issued or incurred on behalf of the agency’s Low and Moderate Income Housing Fund, established pursuant to Section 33334.3. “New debt” means debt that is displayed on

1 a statement of indebtedness filed after a statement of indebtedness  
2 filed on October 1, 2011, that was not displayed on the statement  
3 of indebtedness filed on October 1, 2011.

4 (B) For the purpose of subparagraph (A), the net school share  
5 shall be the school share of the property tax increment revenues,  
6 less any passthrough payments to school entities, that would have  
7 been received in the absence of redevelopment by school entities,  
8 as defined in subdivision (f) of Section 95 of the Revenue and  
9 Taxation Code, in the jurisdictional territory of the redevelopment  
10 agency, including, but not limited to, the amounts specified in  
11 Section 97.68 and 97.70 of the Revenue and Taxation Code.

12 (C) It is the intent of the Legislature to enact legislation in the  
13 2011–12 session to prescribe a schedule of reductions in the  
14 community remittance, described in subparagraph (A), that will  
15 authorize payments of less than 80 percent of the school share of  
16 property taxes to the Educational Revenue Augmentation Fund.  
17 The reductions shall apply for bonds issued for the purpose of  
18 funding projects that advance the achievement of statewide goals  
19 with respect to transportation, housing, economic development  
20 and job creation, environmental protection and remediation, and  
21 climate change, including, but not limited to, projects that are  
22 consistent with the Sustainable Communities Strategies developed  
23 pursuant to Chapter 4.2 (commencing with Section 21155) of  
24 Division 13 of the Public Resources Code.

25 (3) On or before November 1 of each year, the city or county  
26 shall notify the Department of Finance, the Controller, and the  
27 county auditor-controller of the remittance amount required by the  
28 calculations described in this subdivision. The Director of Finance,  
29 the Controller, and the county auditor-controller shall each be  
30 authorized to audit and verify the remittance amount that is  
31 determined by the city or county. The county auditor-controller,  
32 based upon an audit conducted by that office, or upon notification  
33 by the Director of Finance or the Controller based on an audit  
34 conducted by those offices, that determines that the city or county  
35 has miscalculated its remittance payment amount, shall adjust the  
36 amount of the next remittance payment that shall be paid by the  
37 city or county to reflect the correct amount of payment previously  
38 owed by the city or county as identified in that audit, as required  
39 by this subdivision.

1     (4) *A participating community shall be exempt from the annual*  
2 *remittance amount required pursuant to this subdivision that is*  
3 *calculated based on tax increment revenues received for a project*  
4 *area that includes within its boundaries a military base that has*  
5 *been closed or realigned by the federal government. For a*  
6 *participating community that receives tax increment revenue from*  
7 *both a project area that includes a closed or realigned military*  
8 *base within its boundaries and one or more project areas that do*  
9 *not include a closed or realigned military base, the annual*  
10 *remittance amount required to be paid pursuant to this subdivision*  
11 *shall be the sum of the amount that would be calculated pursuant*  
12 *to paragraphs (1) and (2) based solely on the tax increment*  
13 *revenue received by the agency from project area that does not*  
14 *include a closed or realigned military base within its boundaries*  
15 *and the new debt or obligations incurred by the agency pursuant*  
16 *to redevelopment projects that do not include a closed military*  
17 *base within the project area boundary.*

18     (d) (1) A city or county shall pay one-half of the total remittance  
19 amount, as calculated pursuant to subdivision (b) or (c), on or  
20 before January 15 of each year and shall pay the remaining one-half  
21 of the remittance amount on or before May 15 of each year.

22     (2) If a city or county fails to make its remittance payment as  
23 required by paragraph (1), the county auditor-controller shall notify  
24 the Director of Finance of the failure to make the payment within  
25 30 days. Upon receipt of the notification, the Director of Finance  
26 may determine that the redevelopment agency in the city or county  
27 shall be subject to the requirements of Part 1.8 (commencing with  
28 Section 34161) and Part 1.85 (commencing with Section 34170)  
29 as described in Section 34195.

30     SEC. 2. *Section 34195 of the Health and Safety Code is*  
31 *amended to read:*

32     34195. In the event that a city or county fails to make the  
33 remittance required pursuant to the agreement specified in Section  
34 34194 or 34194.5 and the Director of Finance makes the  
35 determination described in those sections, the following shall apply:

36     (a) The city or county shall no longer be authorized to engage  
37 in voluntary redevelopment pursuant to this part and the  
38 redevelopment agency shall become immediately subject to the  
39 provisions of Part 1.8 (commencing with Section 34161) and Part

1 1.85 (commencing with 34170), *except as specified in subdivision*  
2 *(c).*

3 (b) The state shall be entitled to an assignment of any rights of  
4 a city or county, as applicable, to any payments from the  
5 redevelopment agency to which the city or county is entitled, as  
6 described in subdivision (b) of Section 34193.2, for purposes of  
7 mitigating the fiscal impact to the state related to the failure of the  
8 city or county to make the required remittance payment.

9 (c) (1) *This subdivision applies to a community that does all*  
10 *of the following:*

11 (A) *Includes within its jurisdiction a redevelopment project area*  
12 *that contains within its boundaries a military base that has been*  
13 *closed or realigned by the federal government.*

14 (B) *Includes within its jurisdiction a redevelopment project area*  
15 *that does not contain a closed or realigned military base.*

16 (C) *Fails to pay the annual remittance amount pursuant to*  
17 *paragraph (4) of subdivision (c) of Section 34194.*

18 (2) *A community that meets the requirements of paragraph (1)*  
19 *may continue to carry out and implement the redevelopment plan*  
20 *for a redevelopment project that includes a closed or realigned*  
21 *military base in accordance with Part 1 (commencing with Section*  
22 *33000), Part 1.5 (commencing with Section 34000), Part 1.6*  
23 *(commencing with Section 34050), and Part 1.7 (commencing with*  
24 *Section 34100), and any other applicable law pertaining to the*  
25 *agency and its legislative body with respect to the redevelopment*  
26 *plan including, but not limited to, any law pertaining to the*  
27 *activation, activities, and operations of, the incurring of*  
28 *indebtedness by, and the allocation of tax increment to, the agency*  
29 *with respect to the plan. A redevelopment project area of the*  
30 *community that does not include a closed or realigned military*  
31 *base shall be immediately subject to Part 1.8 (commencing with*  
32 *Section 34161) and Part 1.85 (commencing with Section 34170),*  
33 *except that the agency shall not be dissolved, but shall be permitted*  
34 *only to carry out and implement a project that includes a closed*  
35 *or realigned base, as permitted by this subdivision.*

36 ~~SECTION 1. Title 7.84 (commencing with Section 67645) is~~  
37 ~~added to the Government Code, to read:~~



1       ~~TITLE 7.84. CONCORD NAVAL WEAPONS STATION~~  
2               ~~REUSE AUTHORITY~~

3  
4       ~~67645. This title shall be known and may be cited as the~~  
5 ~~Concord Naval Weapons Station Reuse Authority Act.~~

6       ~~67645.1. The Legislature hereby finds and declares the~~  
7 ~~following goals to be the policy of the state of California:~~

8       ~~(a) To facilitate the transfer and reuse of the real and other~~  
9 ~~property comprising the military reservation known as the Concord~~  
10 ~~Naval Weapons Station with all practical speed.~~

11       ~~(b) To minimize the disruption caused by the base's closure on~~  
12 ~~the civilian economy and the people of Contra Costa County and~~  
13 ~~the bay area.~~

14       ~~(c) To provide for the reuse and development of the base area~~  
15 ~~in ways that enhance the economy and quality of life of the Contra~~  
16 ~~Costa County and bay area community.~~

17       ~~(d) To maintain and protect the unique environmental resources~~  
18 ~~of the area.~~

19       ~~67645.2. The Legislature finds and declares as follows:~~

20       ~~(a) The policy set forth in Section 67645.1 is most likely to be~~  
21 ~~achieved if an effective governmental structure exists to plan for,~~  
22 ~~finance, and carry out the transfer and reuse of the base in a~~  
23 ~~cooperative, coordinated, balanced, and decisive manner.~~

24       ~~(b) Contra Costa County and the City of Concord have requested~~  
25 ~~the Legislature to establish a governmental structure for the~~  
26 ~~Concord Naval Weapons Station.~~

27       ~~67645.5. Contra Costa County and the City of Concord may~~  
28 ~~establish the Concord Naval Weapons Station Reuse Authority~~  
29 ~~upon the adoption of resolutions favoring the establishment of the~~  
30 ~~authority by the governing bodies of those agencies, to plan for,~~  
31 ~~finance, and manage the transition of the property known as the~~  
32 ~~Concord Naval Weapons Station from military to civilian use.~~

33       ~~SEC. 2. The Legislature finds and declares that a special law~~  
34 ~~is necessary and that a general law cannot be made applicable~~  
35 ~~within the meaning of Section 16 of Article IV of the California~~  
36 ~~Constitution because of the unique need in Contra Costa County~~  
37 ~~to facilitate the use of the Concord Naval Weapons Station from~~  
38 ~~military to civilian use.~~